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SUBJECT: BENIN: PRESIDENT YAYI FIRES MINISTER OF FINANCE AND MAKES  
MINOR CABINET CHANGE

REFERENCE: A) 08 COTONOU 750 AND PREVIOUS; B) COTONOU 246

¶1. SUMMARY: On June 9, President Yayi dismissed his Minister of Economy and Finance, Soule Mana Lawani, because he had issued a 2008 ministerial decree granting incentives bonuses to health workers, without getting the prior approval of the government. On June 12, Yayi appointed by decree Idriss Daouda, a former National Director of the Central Bank of West African States (BCEAO) in Cotonou, as the new Minister of Economy and Finance. He switched portfolios between the Ministry of Agriculture, Animal Husbandry and Fishing, Roger Dovonou, and the Ministry of Industry, Gregoire Akofodji. Besides, Yayi increased responsibility for the Minister of State, in charge of Economic Forecasting, Development and Public Action, Irene Koupaki, by tasking him with coordinating governmental action. While Lawani's dismissal was linked to a professional blunder, changes in the other three ministerial portfolios reflected a rather minor technical reshuffle. END SUMMARY.

¶2. Following local press news that President Yayi fired his Minister of Finance and Economy, Soule Mana Lawani, on June 8, the Council of Ministers confirmed the dismissal on June 9. According to the Council of Ministers' report, the President dismissed Lawani just because he issued in 2008, together with the former Minister of Health Kessile Tchalla (He left Yayi's Cabinet in the 2008 reshuffle), a ministerial decree to entitle incentive bonuses to public health workers without the prior approval of the Council of Ministers, a decree that appeared to be inconsistent with a 1986 law governing civil servant status in Benin. Additionally, the non-payment of the incentive bonuses to health workers prompted them into protest marches and slowdown strikes that had paralyzed the health sector for months (Ref B) President Yayi appointed Koupaki as the acting Ministry of Finance and Economy. On June 14, the Minister of Justice and Spokesman of the Government, Victor Topanou said, on TV, that the Ministry of Finance and Economy had committed a serious professional blunder by issuing the decree since its application would incur about 16 billions CFA expense, roughly USD 32, Million for the National Treasury, a significant amount which the government can hardly pay because of the budget constraints it is facing.

¶3. On June 12, President Yayi issued Presidential Decree No 2009-260 to confirm Lawani's departure from his cabinet and to bring changes to his cabinet. He appointed Idriss Daouda as the new minister of Finance and Economy to replace Lawani. BEGIN BIO NOTE: Daouda served in 2006 as Governor Alternate on the IMF Boards of Governors. From 2006 to 2007 he was the National Director for Central Bank of West African States (BCEAO) in Cotonou. He also worked at the BCEAO Headquarters in Dakar, Senegal, where he made acquaintance with Yayi Boni who was also working at the bank. He retired in 2007. Post will provide further details on Daouda as they are available. END NOTE.

The Minister of State, in charge of Economic Forecasting, Development and Public Action, Irene Koupaki, has become the Minister of State, in charge of Economic Forecasting, Development,

Evaluation of Public Policies and Coordination of governmental Action. The Minister of Agriculture, Animal Husbandry and Fishing, Roger Dovonou, has taken over the portfolio of Industry while Gregoire Akofodji, the Minister of Industry has been appointed Minister of Agriculture, Animal Husbandry and Fishing.

¶4. Change in the denomination of Koupaki's ministry implies an increase in responsibility since he will now be coordinating the other 29 remaining ministries, a kind of "Super Minister." Though President Yayi officially reiterated his confidence in him by increasing his portfolio, everyone contends that Koupaki has played a leading role in his cabinet since Yayi appointed him in 2006.

¶5. In an effort to implement the incriminated decree and satisfy health workers' demands, the government decided to take exceptional measures (since this unexpected expense is not covered by the 2009 budget) to secure payment to workers effective June 9, 2009. Payment will be spread over two years and paid by installments, representing respectively 50, 25, and 25 per cent of the incentive bonuses owed to workers.

¶6. COMMENT: Some observers say that President Yayi might have well authorized the two Ministers to issue the Ministerial Decree in 2008, when health workers' protests reached a climax, a piece of information difficult to check. Nevertheless, the dismissal of Lawani demonstrates that Yayi is still committed to implementing the Good Governance Charter he adopted in 2006, and which consists of ten cardinal principles including responsibility, transparency and accountability. END COMMENT.

RAWLINGS